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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, SEPTEMBER 4, 2001

COMMONWEALTH OF VIRGINIA

At the relation of the

State Corporation Commission

CASE NO. PUE010306

Ex Parte: In the matter of considering
requirements relating to wires charges
pursuant to the Virginia Electric
Utility Restructuring Act

ORDER ON MOTION FOR EXTENSION OF TIME

By Order entered June 13, 2001, the Commission initiated this proceeding to meet its statutory obligations under § 56-583 of the Virginia Electric Utility Restructuring Act (“the Act”), § 56-577 et seq. of the Code of Virginia, regarding the establishment of wires charges for incumbent electric utilities to be effective upon the commencement of retail customer choice in the selection of electricity suppliers. As specified in § 56-583 of the Act, wires charges are intended to provide a method that will allow incumbent utilities to recover their just and reasonable net stranded costs incurred due to the implementation of retail access. The June 13 Order directed incumbent electric utilities in Virginia, with certain exceptions,¹ to file a wires charge proposal that addresses the issues of (i) timing and coordination of adjustments; (ii) market price determination; and (iii) rate design.

By Order of August 16, 2001, the Commission established a hearing on September 12, 2001, to receive evidence on the issue of the determination of market price. The Commission

¹ Kentucky Utilities Company, d/b/a Old Dominion Power Company, and the Virginia electric distribution cooperatives were not required, but invited, to file such proposals, because these utilities have been afforded, in Case No. PUE000740, a more extended phase-in period for implementing retail choice in their service territories. The Commission noted, however, that utilities that do not elect to submit wires charge proposals in all likelihood will be subject to any wires charge methodologies that are approved in this proceeding.

believes that an understanding of the difference in the views of Virginia's two largest investor-owned utilities, Virginia Electric and Power Company ("Dominion Virginia Power") and Appalachian Power Company, d/b/a American Electric Power-Virginia ("AEP-VA"), regarding the appropriate means of determining the market price is a critical factor in the determination of an appropriate wires charge that should be addressed before the Commission can decide this case. The Commission, therefore, directed Dominion Virginia Power and AEP-VA to file, on or before September 5, 2001, testimony prepared by an appropriate witness or witnesses on that issue. The Commission also invited Staff and other parties to this proceeding who wish to file testimony or additional comments to do so on or before September 5, 2001, provided that any such testimony or comments are sponsored by a witness who will adopt the testimony or comments and be available for examination at the hearing.

On August 31, 2001, AEP-VA filed a motion requesting an extension of time, from September 5, 2001, to September 7, 2001, to file its direct testimony. AEP-VA stated that it will not be able to complete its testimony by September 5, 2001 due to what it characterizes as new issues and short notice for the preparation of testimony, as well as prior work commitments. AEP-VA offered to transmit its testimony through electronic mail in addition to the formal filing procedure required by the Commission's rules and regulations.

UPON CONSIDERATION of the above, the Commission finds that AEP-VA's request should be granted in part. Due to the statutory deadlines set forth in the Act and the need to complete this case so that the Commission can timely address other matters required by the Act, the Commission necessarily established an abbreviated procedural schedule in this matter and recognizes that Staff and parties in this case have operated under a tight timeframe. Therefore, we will extend the time by which AEP-VA must file its testimony from September 5, 2001, until Friday, September 7, 2001, at 10:00 a.m. (rather than until September 7, 2001). AEP-VA shall also provide a copy of the testimony, through hand delivery, facsimile, or email, such that each party in this case and Staff will receive a copy by 10:00 a.m. Friday.

We have decided that the same extension of time should apply to Virginia Dominion

Power with respect to filing its testimony, and to any parties and Staff who wish to file additional comments or testimony, all of which otherwise would have been due on September 5, 2001. The remainder of the procedural schedule established in the August 16 Order shall remain in effect. We strongly encourage all parties and Staff to file testimony and any additional comments as soon as possible.

ACCORDINGLY, it is ordered that:

- (1) AEP-VA's Motion filed August 31, 2001, is granted in part.
- (2) The date by which testimony required by the Order of August 16, 2001, and any additional comments that other parties and Staff wish to file, is hereby extended to September 7, 2001, at 10:00 a.m., in the manner discussed in the body of this Order.
- (3) The remainder of the procedural schedule set forth in the Order of August 16, 2001, remains in effect.
- (4) This matter is continued for further orders of the Commission.